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HOUSE BILL 1971 By  
Davis

SENATE BILL 1906  
By Crowe

AN ACT to amend Tennessee Code Annotated, Title 8, Chapter 34; Chapter 35; Chapter 36 and Chapter 37, relative to retirement benefits for certain policemen and firemen of home rule municipalities.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 8, Chapter 35, Part 2, is amended by adding the following new section:

§ 8-35-249. Notwithstanding any provision of law to the contrary, any municipality which is a home rule municipality pursuant to Section 9, Article XI of the Constitution of Tennessee and which participates in the retirement system pursuant to, Tennessee Code Annotated, Title 8, Chapter 35, may by resolution of its chief legislative body, subject to the approval of the board of trustees and in conformity with such rules and regulations as may be prescribed by the board, establish a separate public safety group of employees composed of all of its policemen and firemen for the purpose of providing separate retirement benefits as provided by this section.

Any employee of such municipality who is a member of the retirement system and is a policeman or fireman in such group shall be eligible for service retirement upon completion of twenty-five (25) years of creditable service as a policeman or fireman, or a

combination of service in either capacity, notwithstanding the age of such employee.

The service retirement allowance for such employees shall be not less than fifty percent (50%) of such employees average final compensation.

The municipality may require the employees in the public safety group to contribute a percentage of their compensation for a portion of the costs of the benefits provided by this section or the municipality may provide such benefits without cost to the individual employee.

The provisions of this section shall be applicable if the following conditions are met by a home rule municipality:

(1) The home rule municipality began participating in the retirement system prior to the effective date of this act;

(2) The chief legislative body of such municipality has by resolution authorized an actuarial study to determine the liability associated with such benefits and accepting the responsibility for the costs of such study; and

(3) Following receipt of the actuarial study, the chief legislative body of such municipality passes a resolution establishing such public safety group and passes a resolution accepting liability for the retirement benefits for such group.

The retirement system shall not be liable for the payment of retirement allowance or other payments on account of employees in such group or their beneficiaries, for which reserves have not been previously created from funds contributed by the municipality or its employees.

It is the legislative intent that the state shall realize no increased cost as a result of this section. All costs associated with such retirement coverage, including administrative costs, shall be the responsibility of the municipality.

A home rule municipality must act in accordance with the provisions of this section within eighteen (18) months from the effective date of this act or within ninety (90) days of becoming a home rule municipality, whichever is applicable.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.